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The Rand Corporation: Case Study of a Nonprofit Advisory Corporation (Bruce L. R. Smith, 1966)

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THE RAND CORPORATION: CASE STUDY OF A NONPROFIT ADVISORY CORPORATION. By Bruce L. R. Smith.¹ Cambridge: Harvard University Press. 1966. Pp. 332. \$7.95.

A research associate in the Social Science Department of the RAND Corporation has written a book about that pioneer "think-tank." RAND — an acronym for *research and development* — is a "non-profit" corporation established by the United States Air Force to do research, but no development, in a range of background military problems which proliferated after World War II. Supported in the main by government contracts, it is a *private* organization that is an influential and controversial segment of the *public* administration. The bulk of its work is still for the Air Force or Department of Defense, but it has, since its formation in 1946, broadened its scope to accept assignments from other agencies. Originally heavily scientific, in recent years the tendency has been toward the behavioral sciences. No student of government can afford to neglect RAND, for it is at once the prototype of many similar advisory groups and an organization that has had, and continues to have, considerable influence in the formation of public policy. Smith's book purports to be an "objective" account of an organization that performs "objective" research for cost plus a fixed fee. The volume has value for those who know nothing about RAND or the rise of "administration by contract," but it adds little not already available to the *cognoscenti*.

Government, Professor Charles Reich has recently asserted in a seminal essay,² is a gigantic siphon, drawing into it billions of dollars that are then disbursed in various forms of largess. For many of these disbursements a *quid pro quo* is exacted — in the production of goods or the performance of services for the government. Many segments of American society are beneficiaries of America's version of the welfare state. At one end of the spectrum are the disadvantaged who benefit from monetary or other direct grants; at the other end are those who get far richer subsidies from government in one way or another, in what might be called the "rich man's version of the welfare state" — the depletion allowance in federal taxes is one well-known example. There are many others, however. Somewhere in the middle may be called the "intellectual's version of the welfare state,"³ consisting of

1. Research Associate in the Social Science Department of the RAND Corporation.

2. Reich, *The New Property*, 73 YALE L.J. 733 (1964).

3. Much of the federal funds disbursed to the intellectual community is, of course, connected with science and technology and military affairs. This means, *inter alia*, that some of the most prestigious universities now receive a substantial part of their annual budgets from the federal government. It also means that the Government, no doubt for what seemed to the administrative officials to be good

the "think-tanks" attached to the Treasury spigot by the legal instruments of contract and grant, of the fat consulting fees to individuals, and of other direct disbursements such as research projects. Much of this lies in the field of science and technology and the healing arts, but the recent establishment of a national academy for the humanities indicates that others will soon be in the act.

Government is rightly called a gigantic siphon; it may also be likened to an enormous sow lying recumbent with literally dozens of teats exposed from each of which drips the milk of federal dollars. At each may be found some individual or group (profit or nonprofit) who has fought to get a favored place where the dollars flow. RAND is one of those groups—an organization employing several hundred experts of various types, the brains of whom are focused upon producing studies that will make up the *quid pro quo* exacted for the many millions of dollars it receives each year. Smith's book is largely the statement of a conclusion that the Government has gotten value received from RAND.

Quite probably this is an accurate judgment. The flow of ideas out of RAND (and other similar organizations) has contributed greatly to a better understanding of the complexities of modern governance. In the Pentagon, the application of "systems analysis" and similar techniques to the management and logistic functions of the military establishment may well be a major breakthrough in the art of government and the development of public policy.⁴ Certainly the promulgation of the Bulletin No. 66-3 in 1965 by the Bureau of the Budget, through which "planning-programming-budgeting" techniques are to be applied government-wide, is a step of great importance.⁵ No one interested in the governmental decisional process—and what lawyer these days is not?—can afford to be ignorant of it. In this connection, Smith has some interesting comments to make:

Science and technology, by introducing so many complexities into public policy, have destroyed the comfortable nineteenth-century notion that public issues can be determined by the clash of political ideologies. Important implications for the future of our governing system inevitably follow. The "in-

and sufficient reasons, have tended to concentrate the bulk of their expenditures of the "intellectual's welfare state" in a relatively few universities. This is causing increasing disquietude in Congress, the "have-note" in higher education wanting to get a cut of the pie. See Greenberg, *National Research Policy: Ambuscade for the "Establishment,"* 153 SCIENCE 611 (1966).

4. See HITCH, *DECISION-MAKING IN THE PENTAGON* (1965).

5. See PROGRAM BUDGETING (Novick ed. 1965) for discussion of the application of "systems analysis"—that is, planning-programming-budgeting—to the governmental process.

tellectual" content of policy debate will likely be greatly elevated. Traditional elite groups like the lawyers will have to share influence with newer and scientific and intellectual elites. Enormous demands will be made on private institutions and skills in the pursuit of public objectives. Expertise will narrow and focus many of the choices open to accountable officials, and relegate some cherished beliefs to the penumbra of serious discussion. This is not to suggest that expertise will ever replace politics and the political process. Value conflicts remain the essence of politics. Even in a society of abundance, there will be disputes about the division of life's good things (and disagreements about what the good things are) which provide the stuff of the political process. What the growing complexity of public affairs implies, rather, is that fruitful policy debate will tend to be marked less and less by polemic and first principle. Instead, discussion will center more in serious analysis of alternative means to achieve common ends and, where the ends themselves are unclear or in dispute, in systematic consideration of the costs and consequences of pursuing different ends. (Pp. 320-21).

What this means, to take its most direct implication for lawyers, is that much of *their* expertise is now irrelevant to the policy-making process of modern government. Legal education, taken both generally and also particularly in that odd bag of windy abstractions called "administrative law," does not begin to expose the neophytes of the profession to the minimal amount of information and skills necessary to deal in government either as specialists or as generalists. Historically, the American people have called upon the legal profession to furnish many of the generalists in government. This no longer is true. The scientific-technological revolution has created the need for new types of skills and information. These demands are being filled by economists and scientists and by such organizations as RAND.

But if the RAND-type organizations seem, by hindsight, to be a necessary and perhaps an inevitable development, one should not believe that there are no problems. It is not necessary to adhere to the view of C. Wright Mills or even of H. L. Nieburg⁶ — that in effect a scientific-military-industrial "power elite" controls substantial segments of public policy — but one may accurately assert that large parts of public policy are greatly influenced by agencies ostensibly private in nature. RAND is one. This raises the critical question of "accountability": democratic government is *responsible* government,

6. Compare MILLS, *THE POWER ELITE* (1956), with NIEBURG, *IN THE NAME OF SCIENCE* (1966).

accountable government, and an obvious danger obtrudes when the public administration is in effect farmed out to private organizations. I have discussed this problem elsewhere, in the context of delegating public authority to private institutions, and will not elaborate on the point at this time.⁷

One matter, however, does deserve attention. It is the assumption made by Smith, in common with many others, that an organization such as RAND can engage in "objective scholarship," by which it presumably is meant that the personal values of the scholar or the organization do not intrude into the matter he is analyzing and discussing. (For that matter, the book under review itself is based on the same assumption, namely, that a person intimately connected with RAND can publish a book about RAND that is "objective.") One would have thought that we have learned enough by now, about the human intellect and human psyche and about the organizational behavior of human beings, to recognize that objectivity is an unattainable ideal, however much it may be sought. Even within the judicial system, by definition manned by impartial and disinterested judges, we have come to realize that "individual judgment and feeling cannot be wholly shut out. . . ."⁸

Now, if that be true of the judicial process — and I do not believe it can be gainsaid — then how much more can be said about those who do not have the institutional restraints of the judiciary upon them? What must be recognized is that knowledge is intensely personal, whether in the identification and selection of facts or in the drawing of conclusions. This does not mean that the RAND researcher or other "objective" scholar is *trying* to be biased; I am quite willing to grant that he may be striving mightily to transcend his limitations. What I am saying is that in scholarship there is a need for "facing one's valuations." In other words, just as Mr. Justice William O. Douglas has recently called for "full disclosure" of financial and other interests by those who write for the law reviews,⁹ there is a concomitant need for disclosure of the personal values of the writer. I do not suggest that this will be easy. Far from it. But it is necessary, as Gunnar Myrdal, among others, has cogently pointed out.¹⁰ Smith's

7. See Miller, *Administration by Contract: A New Concern for the Administrative Lawyer*, 36 N.Y.U.L. REV. 957 (1961); Miller & Pierson, *Some Observations on the Consistency of Federal Procurement Policies With Other Governmental Policies*, 29 L. & CONTEMP. PROB. 277 (1964). Cf. PRICE, *THE SCIENTIFIC ESTATE* (1965).

8. Frankfurter, *John Marshall and the Judicial Function*, in GOVERNMENT UNDER LAW 6, 21 (Sutherland ed. 1956). See Miller & Howell, *The Myth of Neutrality in Constitutional Adjudication*, 27 U. CHI. L. REV. 661 (1960).

9. Douglas, *Law Reviews and Full Disclosure*, 40 WASH. L. REV. 227 (1965).

10. See, e.g., MYRDAL, *VALUE IN SOCIAL THEORY* (Streeten ed. 1958).

book is flawed by a failure to articulate his value premises. I would also be willing to maintain that RAND studies are similarly flawed.¹¹ As Michael Polanyi put it: "The ideal of a knowledge embodies in strictly impersonal statements now appears self-contradictory, meaningless, a fit subject for ridicule. We must learn to accept as our ideal a knowledge that is manifestly personal."¹² Mr. Smith deludes himself if he really thinks that RAND can be "objective."

The RAND Corporation is an example of the flexibility of American institutions — of how new techniques can be developed to meet emergent problems, in this instance the revolutionary developments of modern science. Smith's book is valuable in that he poses questions rather than setting forth dogmatic answers or conclusions. Even with the shortcomings which have been noted, and even if the author glosses over a number of important questions, the book should be read by all having an interest in the governmental process. It complements Don Price's *The Scientific Estate*, a book that is already on its way to becoming a classic.¹³ Smith has not written a classic, but he has produced an informative and thought-provoking volume.

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11. It is by no means clear that RAND does not at times speak out for its chief client, the United States Air Force.

12. POLANYI, *THE STUDY OF MAN* 27 (1959).

13. PRICE, note 7 *supra*. See Miller, Book Review, 1966 DUKE L.J. 622; Miller, *Where Are the Lawyers?*, Saturday Review, July 2, 1966, p. 48.

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